

# **EXHIBIT E**

TAPE 1 SIDE 1 - 31313/4

David Boundy talking with Johnathan Edwards from GlobalServe--talking about Net Provisioning - [REDACTED]

DEB Johnathan could you just start again at the top and describe the boxes and tell us what's going on

JE What we've developed is a combination of e-procurement hooked to e-supply chain. And essentially what it does is allow a customer from his PC to be able to order PC and related technologies anywhere around the globe at his globally negotiated contract price. And he has a number of choices in which he have his own internal architecture designed that may prove to be the way they want come into our catalogue, so we have built a number of things, a catalogue that allows you the price, place an order, track an order and report on/and provide management reporting. We have designed a combination of processes and connections that allow the customer to come into that catalogue. Some of them are very much open standards and we have also designed a series of pieces of code that allow net provisioning to not, not only receive that order clearly priced, but allow it to root itself to a fulfillment partner, whether that be a manufacturer, a GlobalServe fulfillment service agent or service provider in terms of fulfilling the required order. The IP that we see is a combination of the process itself, the connections and indeed the actual contact points from customer through to fulfilling.

If we wrote, for example here, a series of routing software of something, that's IP. But what we are looking to do in here in terms of how orders come in, and of course here, which is the applications very clearly written by, in a contract that S&S did for us, its more of what we are looking to patent is how does this route, and do we take the ecosystem of third parties that sit around GlobalServe and connect them. We designed that, so it is a combination of technology and design of who those third parties are and how they need to be connected.

DEB Connected in a contractual relationship sense?

JE Yes, and electronically. So it is the combination. That's what we think is patentable. Because anyone who come and snap shot and say "hey, look what these guys did" they actually will be able to contractually build this contract called XXX with Compaq, for example, and then IBM and HP and Toshiba, and with these types of organizations in these countries, that's what we are looking to protect, because that took seven (7) years for us to actually evolve in our thinking, and then our construction, and then our execution. And it is very easy to take, for example, a list of our contracts to see who we contracted with and go into our web site and pull off how this is being routed, and you can immediately get the blue print, as we call it, that shows how a customer can get from

end to end through three (3) clicks. So all the work behind the three (3) clicks that we are trying to protect.

JE An so the question is, you see normally when we design this stuff we do this on paper, and through industry knowledge. But we suddenly go to a point where customers are looking at this and saying, how did we build all this, and we suddenly realize the magnitude of it, that we'd just like to protect.


DEB

TAPE SIDE A; DATE: [REDACTED]

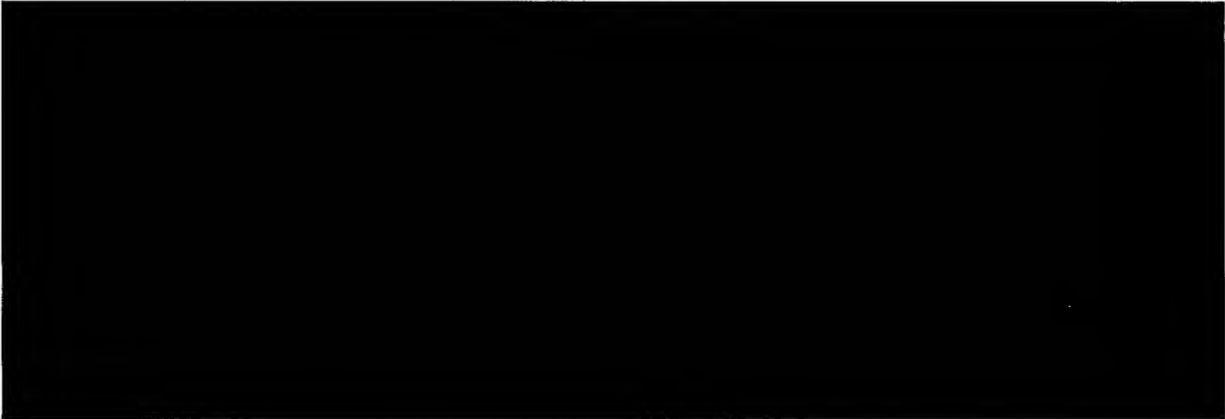
JH ---there is some degree of I would say intellectual property in those contracts here. On top of that we've built the supply chain, we say in order to build it - we've then build it, we have then built it as another tool called Remote Service Desk, and then if you say it is an electronic transaction process that goes through. When it comes to Website, the human system, the logo request to promote service desk. Should the business model is in essence the same. They are two tools that execute the---today the nature of the request is such that we had to develop two different tools an the nature of the way customers buy.

JE It would be worth saying as well that the service side of the business, the foundation of that product, forget about the design of the flow of business and the contracts that buyers for a minute,





JE      On the flip side Net Provisioning in terms of the application, is a hundred percent designed and developed and built by us.



JH      Net Provisioning is a completely separate developmentcy, developed by a completely independently. Remote Service Desk is another team.

JE      They are completely independent. There are other things that sit around Net Provisioning, such as code that we've written for example, the order router, Jonas wrote. We can ship orders out automatically, that we wrote, and that needs to be defined, we need to get the source code locked under lock and key somewhere. Not just sitting on our technologies guys' machines. And also documented and integrated into our overall solution that should be patented. So what you've gotten here is you've got a whole bunch of stuff and David you know I do need that sort of the back of a cigarette pack diagram of how Net Provisioning works from end to end, with all the different components. And I am suggesting that that's what we are attempting to patent, as much as we are the technology we've developed. Is that right in saying that?

JH      If I could just add something to Jonathan. I think the real uniqueness about out business, is the business model. The technology in the code itself, is not particularly unique, its the way it has been applied to a new business model. So if you tried to patent the fact that no one else could go and design a website that gives you \_\_\_\_\_ you can't do that. But it is the way you go and executed against that.

- JE But if the market is what would be provided as a solution, right? And it's the way we do it that we hope to patent.
- DB And that went live when?
- [REDACTED]
- JE To be fair, the overall line in sought of integrating the supply chain of the building the network out, the electronic network out there is ongoing. You will probably never get to a point of completion in my lifetime.
- MF No. But once one part of the, if it is a tree in other words, one complete branch of the tree is formed, with enough of the elements are there I think would create .....
- JE If you want to use that analogy, what we actually built in that provision, is probably the trunk, and what we are continuing to build out is the branches and the roots. That analogy is probably a good one if you assume the branches are off collecting the customers, bringing them down through the trunk which is built and out towards the supply channel which is the roots. And now the roots and branches will be - they are infinitesimal.
- MF Lets focus on the business model for the moment. What do you think is newest about that, relative to the... Lets take an existing company that's global, like IBM who sells computers globally. What's the difference between what they do and what you do? If they had a computer interface to theirs, would it be the same or \_\_\_\_?
- JE That's a beautiful example, because arguably IBM could be someone to challenge the patent. However, IBM's view GlobalServe as having a supply chain by design and implementation today is a useful option for them in supplying their global customers with PCs. So what's different about it is that it's the contracts, it's the way that we've overcome the legal barriers and internationalism, if you like. It is the internet and the products we've bought on the internet to free flow business transactions cross border.
- MF How do you get across the border any differently than any other contract.
- JH Let me also just add a couple of things just to draw direct comparison with the IBM. One of the key differences of our business model is that we own none of the in-country infrastructure. It is a true supply chain. Unlike IBM, they would use the IBM subsidiary in Europe, the IBM subsidiary in the United States, and in Latin America they have a partnership with someone else, effectively a distributor on the other half. Ours is one hundred percent, we only own the above - country infrastructure and everything else is virtual. So in that sense it is different from the IBM model. The second thing is, Jonathan is right, the contract structure we've developed allows us to basically, the prime contractor, subcontractor thing. Jonathan you may be able to answer what unique about that. I don't know. And then if you look at the tool itself, Remote Service Desk or Net Provisioning, unlike IBM's tool which ties into their backend order processing system, our tools run with an open interface at the backend, so that we can tie into any part of our supply chain. We could tie it in with IBM and get IBM to supply direct, or we could go to a reseller or we could go through a distributor. We have opened up the backend of the application so that they would build into the supply chain.
- MF So lets take a transaction through, for example, from end to end. Lets say you've got a computer supplier identified in London, and I have got a purchaser in the US, Florida?

- JH What would happen is that first of all we would have a formal contract with the customer. This is not a come in and buy on an ad hoc basis. It is a formally contractual relationship with the customer, whereby we built their procurement environment. Their procurement officer in Florida would come into the site and they would select the product that they require, and they would select the location they require that product at.
- MF Say this is an international company based in Florida that wants to put a computer on the ground in Brazil.
- JH Yes - So they in they select the product that they want. They select Brazil and they select the delivery point for that product.
- MF OK. So say you are going to buy ten servers and have it delivered to Brazil.
- JH What will then happen is we will then display to them the price of that product based upon calculating the price in-country based upon agreements with the manufacturers.
- MF So though your data base, you're going to identify someone in your supply chain who is willing to supply that PC or that server at some price.
- JH And that's all formally contracted, that's why we have this contract structure with a supply chain whereby it allows us to offer this price to the customer through us, through our site, and then it would be executed through their backend. So if we just complete this transaction, the customer says, I want ten servers in Brazil, it gives them the price. What will then happen is the Net Provisioning site would look at the order, it would build the order into a transaction record, it would then get parts to what Jonathan describe as what we call the 'order router'. The 'order router' then says "right, this is going to Brazil", and it say "how I am going to transmit that order", then it has a transmission method of sending the order to the partner in Brazil, which could be EDI, could be XML, it could be an email, it could be a fax. It depends on how that order is transmitted.
- JE That is in itself is part of the cleverness as well. The fact that we figured out, you know, even people sort of like developing love bugs out of Thailand have got email. Out of like the three hundred countries there are out there, we probable going to let transact their email, and, you know, what is the difference in that one? It is a small difference, where we have thought it through, we came up with a solution and we are able to build an electronic means of transfer of business to them.
- MF So in advance of the transaction, you have identified a means of doing it.
- JE Right, and the point is that we could probably sit and go through the whole model of it and tell you that there is no one else doing this. To say that no one does email is crazy. But what we are saying is, is what we designed two hundred \_\_\_\_\_ countries would use email, fifty countries use telex, because that's all they use in that country or fax, twenty-five of them would use EDI, thirty of them would use XML and then physically make the connections. So it's the design of the network, it's the production of electronic solutions and it's the actual live working organism of a supply chain and e-procurement product that pull together. Now, go back the IBM scenario. IBM just doesn't have that and they would sit for hours; and I will give you an example. Compaq, on the other hand have asked me to spend three months with them, going and describing

how we do our supply chain, so that they can actually even leverage off it, or build one themselves.

MF Now, why would you want to tell them? It seems to me from what you've told me...

JE I don't. What it would mean is that.....I am just trying to show you that clearly is a differentiator here, but to describe it is like one of two things, its not, it's the whole.

MF It would see to me that the most valuable thing you have going for yourselves is the supply chain, which is your trade secret.

JE I would say this when talking VC guys. If I was asked to do due diligence on GlobalServe, for them as an external independent party. We have two things I think is very powerful. The pricing schema, that fits within the procurement product, and the supply chain, and the connections to it. Yes.

JH And this is where I was going to add something which I think we mustn't lose a step here. When the order, when I said Net Provision prepares the order and passes it on to the Transaction Router that's going to transmit it out, it does several things; (1) it goes through what Jonathan describes as the global pricing matrix the schema what basically says it takes whichever pricing model that applies to that product from the manufacturer and goes through a set step of calculations. Than what it does, it also does two things, it does part number translation, so that when the supply chain, our agent in Brazil receives it, he receives it with the correct part numbers on it so he can fill against it so he gets the right price and the right part numbers. He sometimes also do something call part substitution. And that is actually a day to day schema which it is documented where it goes through a logical set of steps to arrive at the correct price and the correct part number.

JR Now, let me throw the question back to you both, does all that make sense?

MF I think so. What I am trying to figure out is first off, why a global system like this is an advantage over a non-global system, in that, are you saying, that, lets say Compaq - no something different. Lets say some company is setting up a global network around the world, maybe a couple computers in Brazil, a couple with London, a couple with China.

JH That's not your typical client we are dealing with. The typical client we are dealing with is if you had get someone like BP Amoco who will over the next nine month procure twenty-eight thousand PCs across the Americas

JR On a daily basis. They may order twenty at 10 o'clock, 50 at 11 o'clock, 1 at 2 o'clock...

JH And all the different locations and delivered at different ship - to addresses etc.

JE They would want a single price around the world.

MF They want a single price around the world and they want a single point of contact for the whole corporation.

JH Correct.

JE: They want assurance that this system that where they are placing the order is giving them the price they negotiated with the manufacturers.

MF: Which they assume is their best price.

JE: It is the best price. And the fact that you can actually have one system, actually produce the price for three hundred and twenty countries, is awesome.

MF: Now the reason you can say its gonna be the best price -- by putting all those in one order, your gonna be able to negotiate.

JH: It doesn't actually work like that, which is a big.

JE: They have already negotiate the prices by the manufacturer.

JH: The price is fixed by the manufacturer.

JE: Both of their global spend, and that's the best that sort of flip end of this, which is that either we are able to track all the global spend get back and say at the end of the year, listen, this is how much these guys spent with you. They use that as leverage to get a better price next year.

JH: I think it is probable well for us to take a couple steps back so you understand the process of global, how global corporations buy this stuff. BP went to IBM and Compaq, HP and Dell and all the others, "we are going to buy ten thousand PCs over the next nine months, do us a deal". They do them a deal and its is a formally contracted deal with a formal discount structure and a formal pricing structure. That pricing structure is quite complex. You have a series of countries, you have a series of prices, discount structures, trade blocs, tariffs, exchange rate, etc., to arrive at what they actually pays. Single price, but what they actually pay in each country does vary. What we then take is that deal and we build that procurement systems is going to allow them to buy against that deal. So what we have built for BP Amoco is a catalog that covers all the Americas, so that they can say what is the price instantly. I want to know what the price is in Brazil for those ten servers. They get the price, they put the order in. The system does all the clever stuff that are described. It transmits the order to local procurement partner. They get the order, they ship it out to BP and then the local partner bills BP. We don't bill BP for the goods, the local partner bills BP for the goods. To complete the whole transaction cycle, we then earn our revenue one or two ways: (1) there would either been a transaction fee where we would negotiate to the customer, because they see us a procurement tool. Say for every transaction we process is a dollar value against that transaction. We then go and recover that transaction fee from the customer. (2) or if they bought what we describe as a supply chain capability. Either they have bought our capability to execute and we have used our procurement tool to differentiate ourselves to win the business. We would then go and recover a commission from the local supplier, say we have given you this order for Three hundred thousand dollars, we want our quarter percent, one percent, one and a half percent, or two percent, whatever the deal structure is, and we will recover as a commission back to us. So that's our two revenue streams. Transaction fees, or commissions. You want to add anything to that Jonathan or is that?

JE: No.

MF: Let's go back to the BP Amoco's scenario. They have got this very complex contract worked out with, lets say with Compaq. And that's in place before your?

- JH It's often in place. The most common scenario is that the basically the corporate goes and negotiate the deal with the OEM. They then go right, I've got this deal with the OEM, now I want to implement it around the world. They could go to IBM to do it. But the problem is no customer is single vendor. They are always multi-vendor. So that's why they come to someone like us, to implement my Compaq deal, my IBM deal, my HP deal, etc. We sign a single deal with them to provide a procurement solution for all that. Some of it may get supplied directly by the OEMs, that's why we have agreements with them. Some of it may get supplied by our resellers. Some of it may get through distribution. But they come to us for a single solution, and that's why we have the supply chain to be able to execute against that.
- MF So they negotiate each of their contracts with the individuals OEM's, potentially, separately come to you with those deals and then you integrate all those deals into a single procurement contract.
- JH It's an interesting question Jonathan. If someone is buying exclusively from IBM, do we add any value? I mean we could probable argue yes, but it would be more difficult argument to win.
- JE I would say this, if its single vendor, single country go direct with the manufacturer, if its multi-vendors, single country go with the reseller, ~~if its multi-country multi-vendor go with us.~~
- JH That's typically the scenario you see.
- DK Jonathan, its David, I've joined here temporarily.
- DK One contribution I want to add here is that, I think one of the places where GlobalServe has value add is the fact that they regularly go back to the manufacturers and keep the pricing updated worldwide on behalf of the client. So the pricing, when the customer goes in and price to buy a PC, all the pricing has been updated on a regularly basis. I gather that the prices change, and on top of that the customers, lets say BP Amoco, has a standard desktop that uses, lets assume its running Windows 2000 and Word this and it configured up a particular way and they've got Lotus Notes or whatever email program they've got, that's what GlobalServe call its standard and GlobalServe also maintains pricing on the standard and knows what the standard is and can then get these PCs configured and sent out to the customers in the way they want it using global pricing. Its centralizing everything to the customer standard desktop. Is that a fair assessment?
- JE Yep. Do you agree Jonas?
- JH Yep. And I think it is difficult. As we've said its difficult to squeeze all of this into half-an-hour, but I think in essence, going back to what Jonathan said, we have a legal structure that is unique, we have the supply chain and another thing is the work, the business mode, the work flow, the processors and the way we've automated those work flow and processors, that would truly make the combination of the two unique. If you separate the supply chain, keep that to one side, it's a supply chain. You take technology to one side, it's a website. You combine the two and integrate the two like we have in the business model we have, you then have something pretty unique.
- MF I would also think that given the way you're set up, you can police these agreement better than they could themselves.
- JE Absolutely.

JH One of the key values we provide to the customer, I think as David just say, we underwrite in the contract we sign with the customer that this will be the right price of the OEM's currently obliged to supply under its agreement.

JE Let me go back to my question, where I was leading to before. Hopefully you understood this, in particular where I honed in on the two key essences on what I consider our two unique differences are. Is this worth patenting?

MF It is a difficult thing to answer in any case. In think, well, it depends for a couple different reasons. I may give different reasons as these guys as probable told you to get it patented.

JE Let me backup and ask a different question. Its is probably and unfair one, based upon the fact that you don't the commercial or the commercial that I've mentioned. Do you believe that it will get patented?

[REDACTED]

DK Jonathan the question is, what is your objective in trying to get a patent. Is your object to

JE Prevent my competitors from getting in and doing it.

DK So you are not looking this, you are not looking at value of having the patent pending, you are looking at the value of exclusivity.

JE I am looking for the fact that if, you know, for example, someone gets hold of the notion of what we have done, they can't do it exactly the same way we just spent the last eight years building, you know, how to do it.

MF Here is rub with all that, and that is you can't right now, if we filed instantly, you never gonna be able to get a claim that prevents people from doing that which they are already doing. That which is already been disclosed to the public for more than a year, in the form of other publications.

JE Right, which this hasn't. And I know for a fact that our competitors are not doing this right now.

MF Right. So

JE Just recently as yesterday.

MF The question you are asking me to put it in our terms for you is, can we get an enforceable claim against a competitor that we see coming down the road after we are out there in the market place.

DK I think it is not just an enforceable claim, because its going to be pretty easy probable to get you a patent. I think you are going to get an enforceable claim that's of sufficient scope to be of any competitive advantage. You are going to be able to get a patent, I would presume, on some piece of this, the question is whether it is worth the paper it is written on.

JH Can I ask another question on patent? If we got a patent, would it not make it easier ...by the way when David and I were doing the trademark applications, we had this long debate, and so where could we go. We could go into office supplies, copiers, audio visual, anything to the already in the corporate market that involves procurement.

MF     Actually, I think there is another area too, and that is medical. Hospitals around the world are becoming more bigger and bigger and bigger. They are not international.

JE     It is okay to have global contract,

DK     Not yet

JH     But they will do. When you get the purpose of this we are going international. My question then, and I am not quite.....yes there is a protection element, but in my mind